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CROWN LSP BUILDS ON ITS REPUTATION FOR RESPONSIVENESS

By Lawrence Bivins



Though much about the logistics business has changed in the 30 years since Deborah and Greg Hodges founded Crown LSP Group, the same fundamentals apply to the company's value proposition: quality, flexibility, and responsiveness to both customer and community needs.

"Our first office was in Kenly," says Hodges, who started the firm with contacts and experience gained after working for a trucking company. "We needed to be near the truck stops."

The company started modestly as a national freight brokerage. Today, Crown LSP provides a full range of transportation, logistics and warehousing services, occupying 825,000 square feet of space across three Rocky Mount facilities. "We do a wider range of things than our competitors," says Hodges.

Both sites are former textile plants and sit near the junction of I-95 and U.S. Highway 64. Rocky Mount's convenience to mid-Atlantic port complexes gives Crown customers access to global markets. "Proximity to the ports is big for us," says Adam Hodges, operations manager at the family-owned company. Company trucks can reach ports in Norfolk, Morehead City and Wilmington in about two hours. "We're there several times a week," he says.

The company handles goods for customers that include Sandoz, Cummins and Universal Leaf Tobacco. At the heart of its business is a close relationship with Nashville, Tenn.-based Bridgestone Americas. "That's our largest customer," says Greg Hodges, whose company serves as an outside distribution center for Bridgestone. "We have tires in this facility from Mexico, Canada and the U.S.," Hodges says.

Handling tires properly requires strength and know-how not available just anywhere. It also takes being flexible. “They’ve always been willing to adjust their manpower around our schedule,” explains Mike Driver, physical distribution manager at Bridgestone. In addition to warehousing Bridgestone tires in Rocky Mount, Crown bases employees at Bridgestone’s massive plant in Wilson. “We consider them a partner,” says Driver. “They understand our needs and have built that aspect of their business around our needs.”

Bridgestone began working with Crown LSP in the early 1990s. The volume of product handled by Hodges and his Rocky Mount team varies from a few thousand to 10,000 tires daily. The Wilson operation moves an astounding 33,000 tires per day – seven days a week. “They offer flexibility on short notice,” Driver says. “They jump through hoops to make sure our operation is very fluid and efficient.”

Crown takes pride in the quality of its 85-person staff, some of which have been with the company over 25 years. “Our employees are like family,” says Diane Hodges, vice president of Crown LSP. “That goes a long way in supporting the tenure of our workforce.”

Safety Director Robby Causeway started as warehouse manager at Crown LSP 14 years ago. He later worked in the company’s sales office prior to assuming his current position. “They are good folks,” Causeway says of the Hodges family. “I’ve always had opportunities here.”

Crown boasts an exemplary safety record. “In this day and time, you have to care about safety,” Causeway says. The company has quarterly safety meetings with its drivers, reviewing all incidents and near misses. “It’s something that is constantly monitored and kept in the forefront,” he says.

The company is equally committed to its community. In October 2016, when Hurricane Matthew cut a trail of destruction through the Twin Counties, Crown LSP provided a 53-foot trailer as a collection and distribution location for donated items such as blankets, pillows, towels and food. “We were inundated with donations and needed a place for drop-off and pick-up,” recalls Ginny Mohrbutter, executive director of The United Way of the Tar River Region. “It was a tremendous help to us.” Crown LSP also offers free storage space for the Food Bank of Eastern North Carolina and the annual Operation Christmas Child toy drive. “It’s a very community-minded company,” Mohrbutter says.

Now building on a 30-year track record of success, Crown LSP leaders are encouraged by CSX Corporation’s plans for a \$270 million multi-modal cargo hub in Rocky Mount that will open in 2019. Known as the Carolina Connector, the terminal will be just four and six miles from Crown LSP’s two facilities. “We anticipate huge growth in our business due to CSX,” says Greg Hodges. But accompanying those new opportunities will be additional competition, which Hodges and his team plan to stay ahead of. “We’re going to need more facilities, trucks, office space – and certainly a lot more people,” Hodges says.

In addition to its obvious economic impact, the Carolina Connector will yield environmental benefits, eliminating the equivalent of 270,000 truck trips from the roads per year. That will reduce annual CO2 emissions by 655,000 tons, according to CSX estimates.

Sustainability meshes well with Crown LSP’s mission. Its operations are certified through the U.S. Environmental Protection Agency’s (EPA) Smartway program. As such, the company benchmarks emissions, fuel efficiency and other operational standards in accordance with nationwide best practices. “A lot of our customers prefer to work with Smartway carriers,” Hodges says.

High standards mean finding and retaining well-trained employees. Crown LSP works with Nash Community College and Edgecombe Community College to tap newly minted logistics graduates. “We communicate with NCC and ECC to post openings on their job boards, and we’ve gotten good candidates from there,” Hodges says. One recent Crown new-hire holds a master’s degree from East Carolina University’s logistics program, and this summer the company will host an intern from North Carolina State University’s supply-chain management program.

“We anticipate working with the business school at North Carolina Wesleyan, too,” Hodges says. The move is expected to round out Crown’s links to local educational institutions as it eyes future growth. “I see all these programs becoming more and more important to us,” he says.

FOR ACME UNITED, A ‘CAN-DO’ SPIRIT LED TO ROCKY MOUNT

By Lawrence Bivins



As the seasoned CEO of a publicly-held company, Walter Johnsen is adept at overcoming technical obstacles that stand between his business and its expansion strategy. In 2013, as he and ACME United Corporation sized up a vacant Rocky Mount furniture warehouse, the supportive nature of local and state leaders quickly became evident. “It was an abandoned building surrounded by grass about two-feet high,” recalls Johnsen, chairman and CEO of the Connecticut-based company.

Getting the grass cut at the 33-acre site wasn’t a problem, and the company – after considering rival locations in other states, as well as China – soon closed on the property for \$2.8 million and began investing another half million dollars in its up-fit. When a prominent city official realized the 340,000-sq.-ft. building lacked an adequate sewer line, he offered to have one put in. “Mayor [David] Combs did that in a heartbeat,” Johnsen says. “He said he would, and he did it.”

ACME United [NYSE: “ACU”] is a global supplier of cutting devices, measuring instruments and safety products for schools, homes and offices. The company can trace its corporate roots to an 1867 shear and scissor shop in New England. These days, its global sales total \$130.5 million. The Rocky Mount location assembles and distributes products under the Westcott, PhysiciansCare and Clauss brands to retail buyers that include Home Depot, WalMart, Costco and Amazon. The company’s arrival to Edgecombe County came amid rapid growth that made the modest operations it had long maintained in Fremont inadequate. In addition to having the right-sized building at the fair price, ACME’s existing employees could make the 40-minute drive to Rocky Mount.

“We like the way North Carolina treats us,” Johnsen says, citing support from the Carolinas Gateway Partnership and the N.C. Department of Commerce, in addition to the assistance received from the Mayor’s Office. “It’s a can-do business environment and a great place to work.” In some states and provinces where the company operates, seemingly simple tasks like getting a building permit to change an office configuration can drag on for months. “But our experiences in Rocky Mount have been good – very good,” says Johnsen. “That makes a difference.”

The company employs about 100 workers on average at its Rocky Mount location, but that number can swell to 150 during summers as ACME moves product out in time for back-to-school season. “Right now, we’re at the busiest part of the year,” says Human Resources Manager Vernetta Gupton on a mid-June day. The company recruits through area temp agencies. “When we have full-time openings and those candidates meet the requirements, they can compete for permanent positions,” explains Gupton. ACME also partners with local colleges for student workers during summers. “We’re happy with the workforce here and happy to provide people in this community with job opportunities.”

Gupton, a Rocky Mount native, recalls a time when textiles flourished in the region and “the economy was a little better.” Globalization began taking its toll in the early 2000s, with companies and people leaving. “But since then the area has been in an uptrend,” she says. ACME’s success here, along with the arrival of new names like Corning and Triangle Tyre, have given her and other longtime residents cause for optimism. “We’re heading in the right direction with companies and businesses moving here,” Gupton says. The area offers a strong quality-of-life, she adds, especially when it comes to healthcare. In addition to its own excellent medical center, Rocky Mount is within easy reach of large teaching hospitals both in Greenville and the Triangle, Gupton points out.

Serving both domestic and international buyers, ACME United’s Rocky Mount facility is the company’s primary distribution and warehousing center. “Proximity to I-95 and the Port of Virginia was something we needed,” says Ben George, vice president of distribution at ACME. The site receives raw materials from both U.S. and foreign suppliers -- assembling and packaging its products under the various ACME brands for shipment throughout North America and abroad via ports in Norfolk and Florida. Beyond the seasonal spikes, demand for the company’s school supplies business is largely impervious to recession. “We’re diversified enough to avoid cycles in the market,” George explains.

The company shows its support for communities in the Twin Counties – most notably, by giving thousands of dollars’ worth of its own school supplies to area schools. “We donate quite a bit of product every school year,” says George. The company also engages the community through its work with the Rocky Mount Area United Way, the Boys & Girls Clubs of the Tar River Region and other local charities.

Johnsen, who is based at ACME United’s Connecticut headquarters, sees the company’s Rocky Mount footprint growing larger and more important. “It’s really only beginning right now,” he says. “The importance of that site is very real.” He is especially excited about plans for the Carolina Connector (CCX), the rail-to-highway freight transfer hub being developed by CSX Corporation less than three miles away. “Intermodal is a very important thing for us,” Johnsen says. CCX would cut shipping costs and delivery times significantly for ACME. Since 2013, “our business has grown substantially,” he adds. “We’ve got 33 acres to expand on, and there’s a real possibility we’re going to do that soon.”

KANBAN'S RISE AS A LOGISTICS POWERHOUSE SHOWCASES TWIN COUNTIES' GLOBAL CONNECTIONS

By Lawrence Bivins



One consequence of globalization is that today's companies must keep focused on core aspects of their business in order to stay competitive. Succeed-minded manufacturers, for example, concentrate on production while partnering with third-party logistics providers (3PLs) in creating and maintaining smooth supply chain networks and distribution channels.

Companies in the Mid-Atlantic have the advantage of working with Kanban Logistics to build reliable and affordable connections to buyers and suppliers worldwide. "Our business model is all about economies-of-scale," explains Billy Wooten, chief executive officer of the Tarboro-based company. The firm's customers can tap into a complete menu of warehouse, handling, packaging, transportation, e-fulfillment and other services. "Companies can share our expertise, equipment and technology instead of having to build their own supply-chains," he says.

A family-owned company whose name means "just-in-time" in Japanese, Kanban relies on a strategic location, multi-modal infrastructure, affordable business costs and 40 years of experience in serving customers' logistics needs. With a workforce of approximately 100, the firm currently occupies one million square-feet of warehouse space served by both rail and interstate-quality highways. Sites in Tarboro and Rocky Mount, for example, are only a few minutes to I-95. About 75 percent of the U.S. consumer population lives within a 12-hour drive.

Rail accessibility also helps Kanban serve customers. The company's facilities are served by CSX Transportation, whose east-west and north-south lines make for convenient and affordable movement of raw materials and finished products. "Rail gives clients another option," Wooten says. It can also help companies manage their carbon footprints. "Rail has three and a half times less emissions than trucks on the highway," he explains. "That's huge for our clients."

Kanban also connects customers with the global marketplace. Deepwater ports in Norfolk, Morehead City and Wilmington can be reached in about two hours. "We're well-positioned as a logistics hub for the entire Mid-Atlantic region," Wooten says. And those connections are set to grow even closer in coming years with the development of a Raleigh-to-Norfolk interstate corridor. The 2013 designation of I-495 from Rocky Mount to the Raleigh beltline puts part of the corridor already in place. The remaining piece, which will be dubbed I-87, will provide interstate access to the "back door" of the Port of Virginia.

Kanban also facilitates air-based movement of goods on behalf of its customers. "Rocky Mount to RDU International Airport is about an hour and ten minutes," says Wooten, whose company's trucks deliver cargo regularly to RDU. "We deliver products, mostly components and parts, every day to be shipped out via air," he says.

Unique among 3PLs in eastern North Carolina, Kanban serves as an active Foreign Trade Zone, giving manufacturers and assembly businesses flexibility and cost-savings in sourcing parts from abroad. "We're a general purpose FTZ - sort of like a convenience store open to the general public," explains Wooten. Companies from Virginia to Georgia work with Kanban to maximize the benefits the zone provides.

Having been an FTZ since 2003, Kanban has amassed valuable expertise on the myriad rules governing foreign trade zones. "It's highly regulated by the federal government, and there are a lot of reporting requirements," according to Wooten. "But we have the personnel in place to handle all that."

While few of its competitors can match Kanban's geographic and infrastructure advantages, human factors account for much of the company's success. "We have very little turnover in our management," Wooten says. Some employees have been with the company for nearly three decades.

Good workers are critical to the company's ISO accreditation. Its AS-9100 certification, for example, enables Kanban to handle products on behalf of aerospace and defense industry customers. The company's Rocky Mount facility is also food-certified, adhering to national standards for climate control and sanitation. "Certifications help us promote our business in the marketplace," says Wooten. Rock-bottom levels of unionization in the Twin Counties also boost Kanban's cost-competitiveness vis-à-vis 3PLs in Virginia and Maryland.

Support for Kanban's talent base is available from nearby Edgecombe Community College, which offers a certificate program in Global Logistics & Distribution Management. The college also screens applicants and provides basic training for the company's new hires. Not far away, Nash Community College has an Associates degree program in Global Logistics and Distribution Management Technology. East Carolina University offers a distribution technology concentration as part of its undergraduate business curriculum. "ECU has been a terrific resource for us, and will continue to help us grow the business into the future," Wooten says.

Growth is definitely on the horizon for the company. “Eastern North Carolina is emerging as a center for food manufacturers, and that will likely continue driving a large part of our business,” Wooten says. At the same time, bio-pharma production is surging in and around the Research Triangle, which has also spells opportunity for Kanban. “We’re positioned well for advanced manufacturers of all kinds,” he adds.

Despite exciting prospects for continued success, homegrown Kanban stays true to its Edgecombe County roots. Wooten serves on the county’s Board of Commissioners, bringing his business acumen and leadership skills to a community whose future he cares deeply about. Life there enables him to pursue long-held passions for historic preservation and the outdoors. He and his family live in a restored Tarboro home originally built in 1790. Wooten enjoys taking his wife and two children boating along the North Carolina coast just a short drive east. “This community and the pace of life here are ideal for spending time with family,” he says.